

**EXHIBIT 4**

**Zwilling, Zachary S.**

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**Subject:** [EXT] Puerto Rico - PREPA Chief Says Delay in 9019 Motion Hearing, Uncertainty Over Total Reconstruction Funding for Grid May Push Back Selection of T&D Concession Winner (Americas Intelligence)

## **R** Reorg Americas

### Puerto Rico

## **PREPA Chief Says Delay in 9019 Motion Hearing, Uncertainty Over Total Reconstruction Funding for Grid May Push Back Selection of T&D Concession Winner**

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Puerto Rico Electric Power Authority Executive Director José Ortiz said today that the selection of a winning proponent for a long-term concession to operate PREPA's transmission and distribution system may be delayed by uncertainty over the amount of funding the federal government will approve to reconstruct the island's electric power system and the postponement of a court hearing on the 9019 motion seeking to approve the settlements embodied in the PREPA restructuring support agreement.

The PREPA chief said that a proponent is now due to be selected in October but that he could not immediately provide a specific date. In [announcing in January](#) that four firms qualified to bid for the T&D concession, the Public Private Partnership Authority, or P3A, said that "it is expected that the selection of the proponent for the management of the project will take place during the third quarter of 2019," which ends Sept. 30. Ortiz said today that commonwealth officials working on the transaction from the P3A and the Fiscal Agency and Financial Advisory Authority will decide at their next meeting slated for Aug. 28 whether to push back the announcement. Ortiz spoke after a meeting at La Fortaleza with Gov. Wanda Vázquez, AAFAF and P3A officials and legal advisors who are working on the PREPA transaction and proposed RSA with PREPA creditors.

Ortiz said it is critical for T&D proponents to have certainty regarding the total cost of the settlement with creditors and whether FEMA will approve the entire \$14 billion PREPA is requesting from the federal government to rebuild the T&D system. "If we don't have certainty regarding this number, this concessionaire, this private entity, may think that it will have to put up the difference," Ortiz said.

PREPA has to submit final damage and project assessments to the Federal Emergency Management Agency by Oct. 6, and FEMA is expected to respond "within a prudent time" with its evaluation. Ortiz said \$6 billion of the \$14 billion that PREPA is requesting will go toward priority projects to ensure that public safety facilities, hospitals and pharmaceutical manufacturers can continue to operate through natural disasters or recover quickly from them. Meanwhile, the 9019 motion hearing, originally scheduled in September, [was pushed back](#) twice and will now take place on Oct 30. Ortiz said there is a "good chance" that a final deal with creditors could be approved during or close to the hearing date.

"We have to see if the events that have occurred in Puerto Rico, and moving the hearing before Judge Laura Taylor Swain, affect the calendar in some way," Ortiz said, adding that a decision would be made during the Aug. 28 hearing.

The PREPA chief reiterated that the three proponents pursuing the T&D concession remain interested in the project despite the recent political turmoil in Puerto Rico. Asked if Vázquez supports the PREPA T&D concession, Ortiz said, “Yes, she supports everything we are doing at PREPA.”

Ortiz said that critics of the P3 project are stepping up their criticism as the transaction heads into its final stages. “Puerto Rico has been respectful of long-term contracts,” Ortiz said, pointing to the PR-22 highway and Luis Muñoz Marín Airport concessions. “If we want to take the politics out of PREPA, issue a long-term contract to an entity that dedicates itself to operating the system without depending on changes of governors or changes of executive directors.”

Despite criticism by union leaders, Ortiz said PREPA is contracting out the operation of its call centers in the coming weeks because clients currently have to wait one hour on the telephone before being attended to; he called this unacceptable. He said the private operators will be required to respond to callers within six minutes. He also said that PREPA will soon announce agreements with 16 solar power developers to deliver 550 megawatts of clean power at rates lower than PREPA’s costs to produce power at its own plants.

Ortiz also said that PREPA’s budget in fiscal 2020 is \$150 million less than it was last year and that consulting contract costs have been cut to \$73 million from \$88 million last fiscal year.

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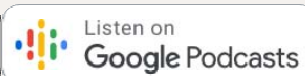
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